BNA, INC.

Collective Bargaining Bulletin

A REVIEW OF CONTRACT NEGOTIATION AND ADMINISTRATION

VOL. 9, NO. 2 PAGES 7–12 JANUARY 22, 2004

Highlights

In the Manual

December CPI
December consumer price index data are added at 18:7602 (the Bureau of Labor Statistics report is available at http://www.bls.gov/news.release/cpi.toc/htm).

Contract Settlements
Terms of settlements reported Jan. 1-19 and weighted average, average, and median wage increases are in *Table of Contract Settlements* at 19:3821.

Job Class Provisions
Sample contract provisions covering job classifications and titles are added at 180:3301.

Workers at Farmer Jack Grocery Agree To 5 Percent Wage Cuts, Contract Extension

United Food and Commercial Workers members Dec. 26 ratified a 41-month contract with grocery chain Farmer Jack containing immediate wage rollbacks of 5 percent and wage increases later in the contract. The settlement covering about 8,000 workers at 106 stores in southeast Michigan amends a contract that was to expire June 5 and runs through June 1, 2007.

The financially troubled grocery chain has threatened to close a large number of its stores, but the union expects that the cost reductions its members approved will ensure that the majority of stores will remain open and that jobs will be preserved. ''The acceptance of this contract came with an understanding that the protection and preservation of Farmer Jack and union jobs equaled a yes vote,'' UFCW said.

Since ratification, Farmer Jack has announced 15 store closures, but some of those stores will reopen in a new format as Food Basics stores, which feature fewer items and services but lower prices than Farmer Jack stores. Workers displaced by the closings will not be fired, but will have options including taking voluntary severance pay or transferring to jobs in Food Basics stores with continued coverage under the UFCW contract, the union said.

The contract provides for a 5 percent wage rollback effective Jan. 1, followed by a 5 percent wage restoration Jan. 1, 2005, a 5 percent wage increase Jan. 1, 2006, and a 25-cent-per-hour wage increase Jan. 1, 2007. Workers also agreed to a reduction in vacation and personal days earned. The union has the option of having a financial expert monitor Farmer Jack financial records, and if the company returns to profitability, UFCW may request early bargaining to restore reductions in vacation and personal days.

Health care benefits, which require no premium copayments by employees, are maintained, and the number of work hours required for full-time benefits is reduced from 36 to 32.

Borders Employees in Ann Arbor Ratify First Bargaining Agreement in Company

Employees at a Borders Books & Music store in Ann Arbor, Mich., Jan. 8 ratified a first contract, becoming the first unit of employees at the chain to be covered by a collective bargaining agreement, the company told BNA. Forty-three employees represented by the United Food and Commercial Workers are covered by the two-year agreement.

''Borders Group is pleased that the contract has been ratified,'' the company said, adding that the agreement meets the company's goal of treating all of its employees fairly and consistently, as well as being competitive with the local market. Borders has more than 445 stores in the United States.

The contract raises starting pay 25 cents per hour in April, translating into hourly rates of $6.75 for cashiers and $7.25 for booksellers. Borders reviews its stores each year to make sure starting pay is competitive in the local market and reflects cost-of-living increases, and is raising the initial hourly rate by 25 cents at 40 stores nationwide in April, the company said.

 ISSN 1522-8452

All Borders hourly employees nationwide are eligible for 25-cent hourly pay raises after their six- and 12-month anniversaries, the company said. Because those increases, combined with the increase in the starting wage rate, might cause certain new employees to be better paid than individuals already on the payroll, the contract will provide a 25-cent hourly pay increase to any employee who has been at the store between 12 months and 24 months and who otherwise would be ''leapfrogged'' by their less-senior colleagues.

Under the new contract, there also will be a pool to provide merit pay increases in April averaging 3 percent of base wages. A similar pool is provided to all Borders stores, with each employee's share based on his or her performance.

Existing health care benefits are preserved, with the company paying approximately 70 percent of premiums and employees paying the other 30 percent.

Oregon Steel, USW Accord Would End Six-Year Dispute

Rocky Mountain Steel Mills of Pueblo, Colo., Jan. 15 announced a tentative agreement with the United Steelworkers calling for wage increases of 10 percent over five years, pension credits for workers who went on strike in 1997, and creation of a trust fund to compensate the strikers who had offered to return to work later that year.

The settlement, which also calls for the withdrawal of all outstanding unfair labor practice charges, must be approved by union members and the board of RMSM's parent, Oregon Steel Mills of Portland, Ore. It also is contingent on the National Labor Relations Board approving withdrawal of ULP charges and dismissal of pending legal actions.

The agreement would settle a dispute that began Oct. 3, 1997, when about 1,000 workers went on strike during bargaining for a new contract. Two months later, the company refused to reinstate the strikers when they made an unconditional offer to return to work. Some of the strikers have subsequently been rehired.

The settlement outlines how employees can be returned to the bargaining unit and to their previous job categories while protecting the rights of the current workforce.

A key feature of the settlement would be the creation of a labor dispute settlement trust that would hold assets to be contributed by either Oregon Steel Mills or RMSM. Assets would include shares of company stock, a cash contribution, and profit-based contributions. The beneficiaries of the trust would be those individuals who were employees of RMSM on the strike date and who had not left the company before Dec. 31, 1997, the date of the unconditional offer of return to work.

The agreement also would allow a maximum of 200 employees to retire early with unreduced benefits for all years of service, including the period of the labor dispute, and award all strikers pension credit for both eligibility and benefit determination purposes from the date of the strike.

Health insurance provisions would be ''more in line with industry standards,'' the company said, and retiree health care would continue to be provided through a set monthly reimbursement. In addition, the company agreed to include a union-designated director on its board of directors and to a broad-based neutrality clause for certain facilities.

Heavy-Highway Agreements Cover About 20,000 Workers

About 20,000 building trades workers represented by seven unions on heavy and highway projects in the mid-Atlantic area are covered under new three-year agreements with the Constructors' Labor Council that provide average annual increases of about 2 percent.

Negotiation of the agreements took place over the last half of 2003, culminating Dec. 29 with ratification of the final two contracts.

Important changes common to all the agreements include a ''cafeteria'' feature that allows contractors to sign contracts only with those crafts whose members they employ, and a significant compression of classifications by most crafts, CLC said. Crafts that had as many as seven or eight classifications now have four, and one craft agreed to only two classifications. These revisions will help to minimize misclassification and—through simplification—improve enforcement of prevailing wage laws.

Employers agreed going into this round of negotiations ''to put good money into the contract to attract good workers,'' CLC said, and the agreements allow workers who become certified in additional skills to enhance their earnings.

With language from CLC agreements being copied in other contracts, the parties decided to copyright the contracts for the first time.

Most crafts allocated most if not all of the first-year increase to health-welfare funds, a reflection of the rapidly rising cost of health insurance, CLC said. Available data show wage-benefit packages range from $31.85 per hour to $35.50 per hour after initial increases.

COLLECTIVE BARGAINING BULLETIN

Collective Bargaining Bulletin (ISSN 1522-8452) is published biweekly by The Bureau of National Affairs, Inc., 1231 25th St. N.W., Washington, D.C. 20037-1197. Periodical postage rates paid at Washington, D.C. POSTMASTER: Send address changes to: Collective Bargaining Bulletin, The Bureau of National Affairs, Inc., P.O. Box 40949, Washington, D.C. 20016-0949.

Full Service includes Collective Bargaining Negotiations and Contracts, and Collective Bargaining Bulletin.

Account-related questions should be directed to Customer Service, 800-372-1033. Comments about editorial content should be directed to the managing editor, (202) 452-4309.

Facts & Figures

Average Wage Increase of 3.1 Percent Reported in 2003

The all-settlements average first-year wage increase under contracts negotiated in 2003 was 3.1 percent, compared with 3.9 percent in 2002. The second- and third-year average increases in agreements reported in 2003 were 3.2 percent and 3.3 percent, respectively, compared with second- and third-year increases of 3.8 percent and 3.6 percent, respectively, reported a year ago.

The median first-year wage increase in agreements reported in 2003 was 3 percent, compared with 3.5 percent reported in 2002. Second- and third-year median increases in agreements reported in 2003 each were 3 percent, compared with second- and third-year increases of 3.4 percent and 3.3 percent, respectively, reported a year ago.

The weighted average first-year wage increase in agreements reported in 2003 was 1.6 percent, compared with 3 percent a year ago. Second- and third-year weighted average increases in 2003 agreements were 1.9 percent and 2.7 percent, respectively, compared with second- and third-year increases of 3.2 percent and 2.9 percent, respectively, reported a year ago.

The analysis was based on a database of 763 agreements covering more than 1.6 million workers reported in CBNC's Table of Contract Settlements (tab 19) during 2003. Not included in tabulations of averages, medians, and weighted averages were wage increases of unspecified amounts and cost-of-living adjustments.

Fifty-one percent of contracts reported in 2003 called for first-year raises in the more than 2 percent to 4 percent range, 20 percent called for increases of more than 4 percent, 12 percent called for increases of up to 2 percent, and 17 percent called for a wage freeze.

The manufacturing average first-year increase in contracts reported in 2003 was 2.1 percent, compared with 2.8 percent in 2002, and the median increase was 2.5 percent, compared with 3 percent.

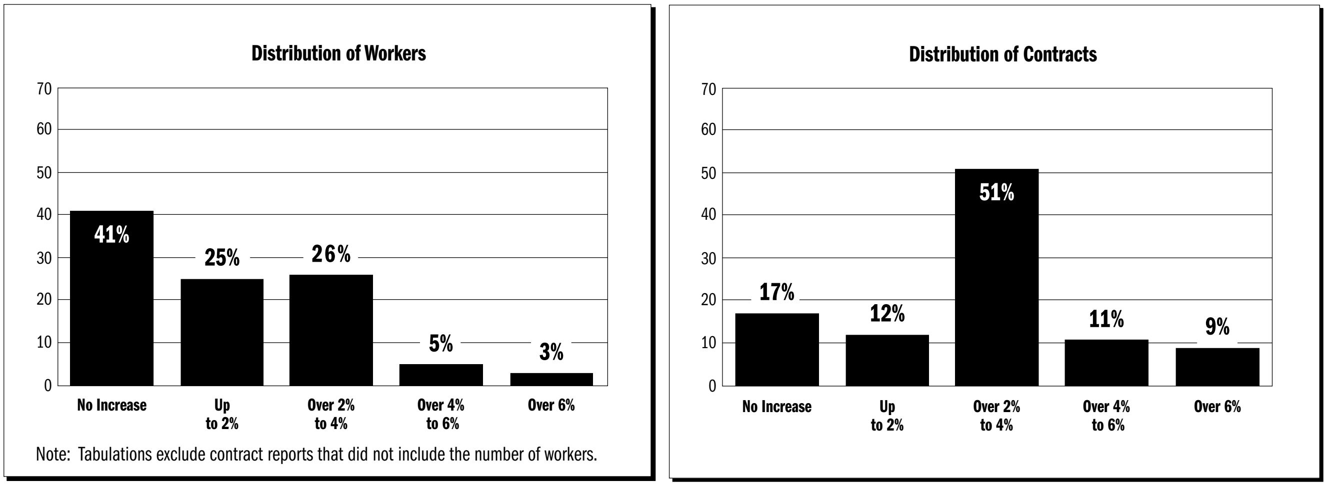
The nonmanufacturing (excluding construction) average first-year increase reported in 2003 was 3.8 percent, compared with 4.3 percent a year ago, and the median increase was 3.2 percent, compared with 3.6 percent.

FIRST-YEAR WAGE INCREASES IN PERCENT—2003 AND 2002

	All Settlements			All except Construction/Govt.			Manufacturing			Nonmfg. except Construction			Construction			State/Local Government		
	Wgt. Avg.	Avg.	Median	Wgt. Avg.	Avg.	Median	Wgt. Avg.	Avg.	Median	Wgt. Avg.	Avg.	Median	Wgt. Avg.	Avg.	Median	Wgt. Avg.	Avg.	Median
Without lump sums:																		
2003	1.6	3.1	3.0	1.4	3.3	3.0	0.8	2.1	2.5	1.8	3.8	3.2	1.9	2.7	2.8	2.2	2.9	3.0
First Quarter	2.4	3.4	3.1	1.8	3.3	3.0	4.6	1.8	2.4	1.4	3.9	3.5	3.4	3.4	4.1	3.2	3.5	3.5
Second Quarter	2.7	3.4	3.1	3.0	3.7	3.3	2.8	2.8	3.0	3.1	4.3	3.9	1.7	2.7	2.8	1.7	3.0	3.0
Third Quarter	1.8	2.8	3.0	2.3	2.9	3.1	2.3	2.2	3.0	2.2	3.3	3.3	1.6	2.6	2.6	1.1	2.8	3.0
Fourth Quarter	1.0	3.0	2.8	0.9	3.1	2.7	0.1	1.5	2.0	1.4	3.7	3.0	6.2	2.8	2.4	3.3	2.7	3.0
2002	3.0	3.9	3.5	2.6	3.8	3.3	2.1	2.8	3.0	2.6	4.3	3.6	4.6	4.4	4.2	4.5	3.8	3.5
First Quarter	2.0	4.4	3.9	1.8	4.6	4.0	2.9	2.7	3.0	1.7	5.3	4.0	5.8	5.7	5.7	2.9	4.0	3.9
Second Quarter	3.3	3.9	3.5	3.0	3.8	3.3	3.5	3.0	3.0	3.0	4.3	3.5	5.4	4.1	4.0	4.5	4.3	4.0
Third Quarter	4.1	3.7	3.5	3.3	3.5	3.2	2.9	2.9	3.0	3.3	3.7	3.6	3.7	4.6	4.7	6.3	3.5	3.4
Fourth Quarter	2.8	3.5	3.1	2.6	3.5	3.0	1.3	2.5	3.0	3.3	4.0	3.3	3.6	3.6	4.3	3.7	3.6	3.3
With lump sums:																		
2003	2.9	3.4	3.0	3.1	3.7	3.1	4.8	3.2	2.9	2.2	4.0	3.3	1.9	2.7	2.8	2.2	2.9	3.0
First Quarter	2.4	3.4	3.1	1.8	3.4	3.0	4.6	2.0	2.4	1.4	3.9	3.5	3.4	3.4	4.1	3.2	3.5	3.5
Second quarter	3.1	3.8	3.4	3.6	4.5	3.7	5.3	4.6	3.5	3.1	4.4	3.9	1.7	2.7	2.8	1.7	3.0	3.0
Third Quarter	2.1	3.0	3.0	2.7	3.2	3.3	2.6	2.7	3.0	2.7	3.4	3.5	1.6	2.6	2.6	1.1	2.8	3.0
Fourth Quarter	3.3	3.4	3.0	3.3	3.8	3.0	5.1	2.8	2.5	2.0	4.2	3.0	6.2	2.8	2.4	3.3	2.7	3.0
2002	3.6	4.2	3.6	3.3	4.3	3.5	4.8	3.6	3.1	3.2	4.6	3.8	4.6	4.4	4.2	4.6	3.9	3.5
First Quarter	2.9	4.7	4.0	2.9	4.8	4.0	3.8	3.2	3.3	2.9	5.4	4.0	5.8	5.7	5.7	2.9	4.1	4.0
Second Quarter	3.6	4.3	3.8	3.3	4.3	3.5	4.5	4.0	3.2	3.3	4.5	4.0	5.4	4.1	4.0	4.6	4.4	4.0
Third Quarter	4.2	4.0	3.5	3.5	4.0	3.5	3.1	3.2	3.0	3.5	4.3	3.8	3.7	4.6	4.7	6.3	3.6	3.4
Fourth Quarter	4.0	3.8	3.4	4.1	3.9	3.4	5.5	3.6	3.2	3.4	4.1	3.4	3.6	3.6	4.3	3.7	3.6	3.3

NOTE: The statistical summary above is subject to revision as more information becomes available. The summary does not include automatic increases effective after 12 months (designated as deferred increases), cost-of-living adjustments, or Canadian settlements. Portions of construction wage increases may be diverted to benefits.

First-Year Wage Settlements—2003



Source: BNA PLUS® Database
Note: Sums may not add to 100 percent due to rounding.

A BNA Graphic/cbn402g1

Construction contracts reported in 2003 showed an average first-year gain of 2.7 percent and a median first-year increase of 2.8 percent, compared with an average increase of 4.4 percent and a median of 4.2 percent negotiated a year ago.

State and local government contracts reported in 2003 provided an average first-year increase of 2.9 percent and a median of 3 percent, compared with gains of 3.8 percent and 3.5 percent, respectively, in 2002.

Lump-sum payment provisions were found in 10 percent of contracts reported in 2003, compared with 12 percent reported in 2002 and 9 percent reported in 2001. The all-settlements average first-year increase with lump-sum factoring was 3.4 percent in 2003, compared with 4.2 percent in 2002. The median increase with lump-sum factoring in all settlements reported in 2003 was 3 percent, compared with 3.6 percent a year ago.

Benefit changes were detailed in 409 contracts, or 54 percent of settlements reported in 2003. Most often mentioned was insurance, found in 83 percent of contracts itemizing changes.

Of 339 contracts specifying insurance changes, the most frequently modified benefits were life insurance (11 percent), sickness and accident insurance (9 percent), and prescription drug insurance (8 percent).

Pension plans were altered in 179 contracts reported in 2003. In 35 contracts specifying increases, monthly payments by end of term were to average $47.12 per year of service. Increases in monthly benefits over term were to average $6.10 per year of service under 36 contracts specifying amounts.

New or revised 401(k) plans were called for in 6 percent of contracts reported in 2003, compared with 8 percent a year ago.

Duration of settlements reported in 2003 broke down as follows: terms of more than three years, 29 percent; three-year terms, 50 percent; two-year terms, 14 percent; and terms of one year or less, 7 percent. Nine agreements extend the contract term by an additional time ranging from one year to two years.

FIRST-YEAR WAGE INCREASES AND REVISED BENEFITS[1] BY REGION—2003

	Middle Atlantic	Midwest	New England	North Central	Rocky Mountain	Southeast	South-west	West	Multi-state
Total contracts[2]	174	40	79	154	17	62	34	144	59
First-year increase (wgt avg)	2.3%	3.1%	2.8%	2.8%	2.6%	3.0%	3.1%	1.8%	1.0%
First-year increase (avg)	3.5%	2.7%	3.3%	2.9%	3.0%	3.4%	4.0%	2.8%	2.4%
First-year increase (median)	3.5%	3.0%	3.0%	3.0%	3.1%	3.0%	2.5%	2.3%	2.5%
Deferred increase	166	38	76	141	13	55	29	131	55
Cost-of-living clauses	1	1	4	3	—	3	1	5	13
Vacations	12	4	3	10	—	4	2	10	5
Holidays	10	2	4	8	—	7	2	6	2
Pension plans	35	6	16	39	2	20	10	36	28
Insurance	92	19	34	78	8	39	8	80	33

[1] Figures pertain to new or revised benefits implemented over the term of the contract.
[2] Includes some contracts carrying wage increases of unspecified amounts, which are not included in tabulations of weighted averages, averages, or medians.

  COBB ISSN 1522-8452

In the Courts

Employer-Paid Health Benefits For Retirees Restored by Injunction

An injunction requiring that fully employer-paid health insurance benefits be restored for several thousand retirees and surviving spouses who had worked for Case Corp. was issued by the U.S. District Court for the Eastern District of Michigan Dec. 31 (*Yolton v. El Paso Tennessee Pipeline Co.*, E.D. Mich., No. 02-75164, *injunction issued* 12/31/03).

A union contract reached in 1971 with Case provided that retired workers and their spouses were eligible for health care coverage, with the company paying the full premium cost. Subsequent contracts contained similar language.

When Case was spun off from its parent company in 1994, Case's parent assumed responsibility for retiree health care benefits.

The parent company was involved in a merger in 1997, and in the summer of 2002, the successor demanded that pre-spinoff retirees begin paying $290 per month for health benefits, an amount that increased to $501 in January 2003. A group of retirees filed a lawsuit alleging Case and the successor breached contracts.

The district court found that the successor is responsible for paying the group's health care costs.

The plaintiffs are likely to succeed on the merits on their case, and would suffer irreparable harm without an injunction, the court said. "Unable to afford the $501 [monthly] premium, Plaintiffs will lose their health care insurance, will not be able to pay for necessary prescription medications, and will not receive all the medical care they need. Reimbursing Plaintiffs for their contributions at the end of the case, therefore, will not afford them relief."

A retiree health insurance plan is a welfare benefit not subject to mandatory vesting requirements, the court said, meaning that after a collective bargaining agreement expires, the employer in general is free to modify or terminate retiree medical benefits. However, the parties may agree that the benefits provided for in the contract will vest and thus survive the expiration of the contract (*UAW v. Yard-Man Inc.*, 716 F.2d 1476, 114 LRRM 2489 (6th Cir. 1983)).

In this case, spouses were guaranteed insurance benefits after the death of the retiree—a triggering event that could take place after the termination of the contract, the court said. "This suggests that Case and the [union] intended such benefits to continue indefinitely."

Court Finds Alter Ego Liability In Firms Owned by Same Family

A firm that was formed by brothers shortly after their other company ceased operations was the company's alter ego and as such is liable for the company's unpaid collectively bargained employee benefit fund contributions, the U.S. Court of Appeals for the District of Columbia Circuit ruled Jan. 9 (*Flynn v. R.C. Tile,* D.C. Cir., No. 02-7091, 1/9/04).

A company formed by the three brothers in 1995 entered a collective bargaining agreement that required, among other things, company contributions to the union pension fund.

The company ceased operations in 1998, and shortly thereafter, the brothers opened a new firm that assumed the first company's subcontracts but did not become a signatory to the bargaining agreement or contribute to the fund.

The fund sued the new firm, arguing that it was an alter ego of the first company and as such was liable for the unpaid contributions.

The court rejected the companies' contention that no alter ego liability existed because the new firm used somewhat different equipment and workers. Even if such differences existed, they "would not outweigh the similarities of ownership, management, business purpose, customers, and operations that demonstrate [the new firm] was the alter ego of [the first company]," the court said.

The companies' argument that the firms could not be alter egos because "there was no anti-union animus" behind the decision to close one firm and open another also was rejected by the court. "Anti-union animus may be a reason one entity should be deemed the alter ego of another for the purpose of assigning liability under [the Employee Retirement Income Security Act], but the absence of anti-union animus certainly does not establish that two entities are not alter egos," the court said.

News in Brief

Solicitation Policy Decision Upheld

The U.S. Supreme Court Jan. 12 let stand a decision that two hospitals violated federal labor law during an organizing drive by banning solicitation and distribution activities aimed at workers in hallways and lounges and by completely banning such activities regarding nonemployees (*Stanford Hosp. and Clinics v. NLRB,* U.S., No. 03-501, *cert. denied,* 1/12/04). The U.S. Court of Appeals for the District of Columbia Circuit held the employer's policy was overbroad because banned activities were not necessary to protect patients.

Faster Eligibility for 401(k)s

Just over half of 401(k) plans permit workers to participate within three months of their hire date, a survey released Jan. 9 by the Profit Sharing/401(k) Council of America shows. The report said that between 1998 and 2003, 401(k) plan eligibility periods of three months or less increased from 32 percent to 51 percent. The survey is available at http://www.psca.org/PDFS/ELIG2003.ASP.

Coverage for Retirees Erodes

Large employers continued to scale back their retiree health benefits in 2003 in response to rising health care costs, shifting demographics, global competition, and other pressures, according to a survey released Jan. 14 by the Kaiser Family Foundation and consulting firm Hewitt Associates. Conducted prior to enactment of the Medicare prescription drug benefit legislation, the survey provides "a unique baseline for understanding retiree health benefits offered by large private-sector employers on the eve of Medicare reform," Hewitt said. The survey is available at http://www.kff.org/medicare/011404package.cfm.

Union Members at Dow Reject Offer

Members of the Independent Association of Publishers' Employees at Dow Jones & Co. rejected a proposed contract that would have required about 1,600 workers to pay health insurance premiums for the first time and provided a $1,000 lump-sum payment and wage increases totaling 5.5 percent (8 COBB 146, 12/11/03). The union said Jan. 20 that it will request a resumption of talks.

Conference Report

Speakers Say Government Must Respond to Wal-Mart Threat

Wal-Mart's transformation of retail practices, the potential application of its business model to other sectors, and its downward pressure on workers' wages make it a threat to the nation's social fabric, said speakers at the Industrial Relations Research Association's annual meeting held in San Diego Jan. 2-5.

Panelists from labor, academia, and management expressed concerns over a "big box nightmare" stemming from Wal-Mart's national dominance during a Jan. 3 session entitled, "Collective Bargaining and the Level of Wages and Benefits in the Era of Mega-Retailers."

Annette Bernhardt of the Brennan Center for Justice at NYU's School of Law said the retail industry, which employs 23 million workers, or 18 percent of the American workforce, has been affected by a strong increase in competition.

The industry has matured, and a proliferation of outlets nationally is largely behind the sea change in business practices, she said. The consequent market entry of specialty stores and mega-retailers has led to the demise of mom-and-pop outfits and increased the influence of institutional shareholders pressuring for short-term profit margins.

Technological Triumph

Faced with coordinating the movement of tens of thousands of products to more than 3,000 stores by way of 103 distribution centers, Wal-Mart has found success in a model relying on a persistent investment in technology at the expense of its workforce, according to Bernhardt.

Wal-Mart workers are trained a mere seven hours per year, paid between $6 and $7 an hour, and subject to "chronic understaffing," she said. Benefits tendered are too expensive for employees, stock options "hollow," and the company's anti-union bias undeniable.

In addition, Wal-Mart's "relentless pressure for discounts has completely reversed the dynamic between store and supplier in the retail sector," Bernhardt said.

The upshot is an emphasis on the re-engineering process rather than the workplace, she said.

For a majority of its workers, Wal-Mart's "lean hierarchy" of one manager, four assistants, and 200 hourly employees per store provides little, if any, career ladder, Bernhardt said.

She suggested that those approaching retail through quality service with an eye to upgrading jobs are unlikely to succeed because of consumption patterns stressing no-frills customer attention and cheap products. The outlook is similar for those looking to technology as a way of improving job quality and opportunities.

The situation, she concluded, calls for non-market, governmental intervention in the form of living wage ordinances and legislation easing the path to unionization.

Union, Management Perspectives

Joey Hipolito, a representative of the United Food and Commercial Workers in Washington, D.C., said the union is particularly interested in Wal-Mart's "Super Centers," which boast a supermarket in addition to its trademark big box configuration.

Long-standing supermarket chains are "overshadowed by Wal-Mart's sheer growth and their approach to wages and benefits is having a negative effect on our ability to bargain," he said.

As recently as 1987, the company had no Super Centers. Now there are 1,430, located mostly in the South, and the company plans to open another 250 Super Centers nationwide in 2004. At that rate of growth, Wal-Mart will become the largest food retailer in the country by 2008. "More importantly," Hipolito said, "they'll be entering urban areas with high union density. So we feel that's where the next battle will have to be fought and won."

Dr. Vicky Lovell of the Institute for Women's Policy Research presented results from a study, "The Benefits of Unionization for Women in the Retail Food Industry."

The study found that unionized workers earned nearly one-third more than nonunion workers; that 31 percent more union retail workers receive benefits than nonunion employees; and that 78 percent of union employees were offered a pension plan, compared with 46 percent of nonunion employees.

This study says to unionized employers: "I'm paying too much to my employees and it's not fair," said Edward Hill, a business professor at the University of Southern California and an executive with more than 50 years' experience in the local retail market.

"Now Kroger and Albertsons and Safeway are saying they want to take your union members down and you have to keep fighting," Hill said. "You knew that union people get better pay and benefits before the study we just heard about. Why don't your members know it?"

The impact of Wal-Mart cannot be overstated, Hill said. "There's a tail wagging our economy, and we need a call to action."

The companies UFCW is striking in southern California—Ralph's, Albertsons, and Safeway—will never be able to match Wal-Mart's advantage in technology, according to Hill. The market has no cure for the Wal-Mart threat; only the government can provide an answer, he added.

Questions for Researchers

Laura Dresser, a professor at the University of Wisconsin-Madison, said Wal-Mart's expansion into urban areas will give researchers an opportunity to monitor the impact of the retailer on wages and benefits in areas of high union density and to measure the viability of big box retail outside the company's habitual rural setting.

Dresser said researchers also should investigate the transferability of Wal-Mart's operational model across other industrial sectors and the distinctions between big box retailers—"We need studies that tell us whether a corporate culture friendly to employees can survive.

"Finally, what is the social cost [of Wal-Mart's domination]? Because this goes beyond being a union bargaining problem," Dresser said.

  COBB ISSN 1522-8452